

PUBLIC DISCLOSURE

October 12, 2010

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

**WILLIAM RAVEIS MORTGAGE, LLC
MC 2630**

**7 TRAP FALLS ROAD
SHELTON, CONNETICUT 06484**

**DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02118**

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this mortgage lender. The rating assigned to this mortgage lender does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this mortgage lender.
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GENERAL INFORMATION

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' ("Division") regulation 209 CMR 54.00, Mortgage Lender Community Investment ("MLCI"), require the Division to use its authority, when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the MLCI performance of **William Raveis Mortgage, LLC (or "William Raveis")** prepared by the Division, the mortgage lender's supervisory agency, as of **October 12, 2010**.

SCOPE OF EXAMINATION

An evaluation was conducted using examination procedures as defined by MLCI. A review of the Division's records, as well as the mortgage lender's public MLCI file, did not reveal any complaints relating to William Raveis' MLCI performance.

The MLCI examination included a comprehensive review and analysis, as applicable, of William Raveis':

- (a) origination of loans and other efforts to assist low and moderate income residents, without distinction, to be able to acquire or to remain in affordable housing at rates and terms that are reasonable considering the lender's history with similarly situated borrowers, the availability of mortgage loan products suitable for such borrowers, and consistency with safe and sound business practices;
- (b) origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
- (c) efforts working with delinquent residential mortgage customers to facilitate a resolution of the delinquency; and
- (d) other efforts, including public notice of the scheduling of examinations and the right of interested parties to submit written comments relative to any such examination to the Commissioner, as, in the judgment of the Commissioner, reasonably bear upon the extent to which a mortgage lender is complying with the requirements of fair lending laws and helping to meet the mortgage loan credit needs of communities in the Commonwealth.

MLCI examination procedures were used to evaluate William Raveis' community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered William Raveis' lending and community development activities for the period of January 2008 through December 2009, unless otherwise noted. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the Mortgage Lender's community investment performance pursuant to the following five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

The MLCI evaluation includes an analysis of the mortgage loans reportable under the Home Mortgage Disclosure Act ("HMDA") for 2008 and 2009. The residential loan data was obtained from the Loan Application Registers ("LAR") maintained by William Raveis pursuant to HMDA.

Home mortgage lending for 2008 and 2009 is presented in the following tables: geographic distribution, lending to borrowers of different incomes and the minority application flow. Comparative analysis is provided for the mortgage lender's lending performance. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders which originated loans in Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the MLCI examination also reflects an in depth review of the entity's mortgage lending using qualitative analysis, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender's loan products by reviewing the lender's internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender's record of helping to meet mortgage credit needs by analyzing the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and, if applicable, loss mitigation services to modify loans and/or efforts to keep delinquent home borrowers in their homes.

MORTGAGE LENDER'S MLCI RATING: This Mortgage Lender is rated "Satisfactory"

This "Satisfactory" rating is based upon:

- The geographic distribution of the lender's loans reflects a reasonable dispersion in low- and moderate-income Census tracts.
- The distribution of borrowers reflects, given the demographics of Massachusetts, a reasonable record of serving the credit needs among individuals of different income levels, include low- and moderate-income.
- The mortgage lender offers a number of flexible lending programs to the customers it serves.
- The mortgage lender had a number of Community Development services.
- Fair lending policies and practices are considered reasonable. No complaints were received during the evaluation period.

PERFORMANCE CONTEXT

Description of Mortgage Lender

William Raveis Mortgage, LLC is a limited liability corporation headquartered in Shelton, Connecticut. The lender was incorporated in Delaware in November 2004 and the Division licensed William Raveis on January 10, 2005. William Raveis Real Estate owns 80% of the lender. Ryan Raveis owns the remaining 20%. The lender is engaged in the origination and sale of first and junior residential mortgage loans, secured by one-to-four family residential properties, to consumers of sound credit quality. William Raveis operates as a retail mortgage lender and mortgage broker. Loan originations are processed and documented at the lender's main office in Shelton, Connecticut. Loan originations are funded from a warehouse line of credit with Commerce Bank. Closed loans are sold in the secondary market, without recourse and with servicing rights released. William Raveis' loan officers originate business through referrals and the internet. The lender is an approved FHA and FNMA lender, having received approval in 2004. William Raveis is also licensed in Connecticut, New Hampshire, New York and Rhode Island. William Raveis Mortgage also has 100% ownership of Covenant Mortgage, LLC, a fully operating mortgage company.

For the examination period, 2008 and 2009, William Raveis originated a total of 660 loans totaling \$205.1 million in Massachusetts, which made up 24 percent of the lender's total originations.

Demographic Information

The MLCI regulation requires mortgage lenders to be evaluated on their performance within the Commonwealth of Massachusetts. Demographic data is provided below to offer contextual overviews of economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

DEMOGRAPHIC INFORMATION*						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A
Geographies (Census Tracts)	1,361	8.4	21.7	46.1	23.4	0.4
Population by Geography	6,349,097	5.8	20.5	47.6	26.0	0.1
Owner-Occupied Housing by Geography	1,508,248	1.6	12.8	54.0	31.6	0.0
Family Distribution by Income Level	1,587,537	20.5	17.7	22.3	39.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	606,419	10.0	29.4	46.2	14.4	0.0
Median Family Income		\$65,318	Median Housing Value		\$209,519	
2009 HUD Adjusted Median Family Income		\$82,684	Unemployment Rate		9.9%**	
Households Below Poverty Level		9.8%				

*Source: PCI Corporation Inc., CRA Wiz, Data Source: 2000 US Census

**as of 4/2010

Low-income is defined as individual income that is less than 50 percent of the area median income. Moderate-income is defined as individual income that is at least 50 percent and less than 80 percent of the area median income. Middle-income is defined as individual income that is at least 80 percent and less than 120 percent of the area median income. Upper-income is defined as individual income that is more than 120 percent of the area median income.

There are 2.4 million households in the Commonwealth with a median household income of \$53,686 according to the 2000 Census. Over 40 percent of the households are classified as low and moderate-income. In addition, 9.8 percent of the total numbers of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as “families” total slightly over 1.5 million. Of all family households, 20.5 percent are low income, 17.7 percent are moderate income, 23.3 percent are middle income, and 39.5 percent are upper income. The median family income according to the 2000 Census was \$65,318. The Housing and Urban Development (“HUD”) adjusted median family income is \$82,684. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contains 1,361 Census tracts. Of these, 114 or 8.4 percent are low-income; 295 or 21.7 percent are moderate-income; 628 or 46.1 percent are middle-income; 319 or 23.4 percent are upper-income; and 5 or 0.4 are NA or have no income designation. The five Census tracts with no income designation are located in Bridgewater (a correctional facility), Boston (islands in Boston Harbor), Amherst (University of Massachusetts campus), Harvard (Fort Devens), and Grafton (Tufts Veterinary School). These Census tracts contain no housing units and will not be included in this evaluation since they provide no lending opportunities.

The median housing value for Massachusetts was \$209,519 according to the 2000 Census. However, recent figures from the Warren Group, publishers of the Banker and Tradesman, show the median price for a single-family increased to \$300,500 in 2008 and experienced a drop of 5.2 percent to \$284,900 in 2009. Fluctuating housing values have a direct effect on the types of financial products adequate for homeowners and property buyers.

The unemployment rate for the state of Massachusetts as of August 2010 was 9.6 percent, up from 7.7 percent in February 2009. Employment rates would tend to affect a borrower's ability to remain current on mortgage loan obligations and also correlates to delinquency and default rates.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

William Raveis' Lending Test performance was rated an overall "Satisfactory." William Raveis' lending efforts are rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of William Raveis.

I. Geographic Distribution

The geographic distribution of loans was reviewed to assess how William Raveis is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income Census tracts.

William Raveis' distribution of lending in the Commonwealth when compared to the demographics and aggregate lending data was reasonable. The dispersion of lending in the Commonwealth includes low- and moderate-income geographies. The table below shows the distribution of HMDA-reportable loans by Census tract income.

Distribution of HMDA Loans by Income Category of the Census Tract							
Census Tract Income Level	% Total Owner-Occupied Housing Units	William Raveis 2008		Aggregate Lending Data (% of #) 2008	William Raveis 2009		Aggregate Lending Data (% of #) 2009
		#	%		#	%	
Low	1.6	2	0.8	2.2	10	2.4	1.6
Moderate	12.8	36	15.1	14.2	59	14.0	10.6
Middle	54.0	107	44.8	51.9	180	42.8	50.7
Upper	31.6	94	39.3	31.7	172	40.8	37.1
Total	100.0	239	100.0	100.0	421	100.0	100.0

Source: 2008 and 2009 HMDA Data and 2000 U.S. Census

As reflected in the table above, the highest concentration of residential loans originated during 2008 and 2009 in middle-income Census tracts, which is not unexpected as 54.0 percent of the area's owner-occupied housing units are located in middle-income tracts. William Raveis originated 0.8 percent of its loans in low-income tracts in 2008 and 2.4 percent of total originations in 2009. The improvement in performance brought the lender above the aggregate. Loans in moderate-income tracts, as a percentage of total originations, also showed improvement and were above the aggregate's lending for both years.

William Raveis' lending volume increased from 239 loans in 2008 to 421 loans in 2009 due to refinance activity. Overall, the geographic distribution of residential loans reflects a reasonable dispersion throughout the Commonwealth.

II. Borrower Characteristics

The distribution of loans by income of the borrower was reviewed to determine the extent to which the mortgage lender is addressing the credit needs of the Commonwealth's residents. William Raveis has a reasonable record of serving the mortgage credit needs of borrowers of different income levels based on the areas' demographics and a comparison to aggregate lending data in Massachusetts.

The following table shows, by number, HMDA reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

Distribution of HMDA Loans by Borrower Income							
Median Family Income Level	% Families	William Raveis 2008		Aggregate Lending Data (% of #) 2008	William Raveis 2009		Aggregate Lending Data (% of #) 2009
		#	%		#	%	
Low	20.5	9	3.8	5.0	16	3.8	5.1
Moderate	17.7	43	18.0	16.9	83	19.7	16.6
Middle	22.3	56	23.4	23.8	110	26.1	23.7
Upper	39.5	130	54.4	37.9	193	45.9	39.7
NA*	0.0	1	0.4	16.4	19	4.5	14.9
Total	100.0	239	100.0	100.0	421	100.0	100.0

*Source: 2008 and 2009 HMDA Data and 2000 U.S. Census, * Income Not Available*

As shown in the above table, William Raveis' 2008 lending volume to low-income borrowers at 3.8 percent, for both years, was below the aggregate's lending to low-income borrowers but did experience a positive trend in volume. Lending to moderate-income borrowers remained above the aggregate for both years, increasing in both volume and percent for the lender, while the aggregate's percentage remained constant.

The percentage of lending to low- and moderate-income borrowers is reasonable given the area's demographics and the performance of the aggregate.

III. Innovative or Flexible Lending Practices

William Raveis offers a number of flexible lending products, which are provided in a safe and sound manner to address the credit needs of low-and moderate-income individuals or geographies. During the examination period William Raveis originated a total of 159 flexible lending product totaling \$43,868,768.

It is the policy of William Raveis to encourage residential lending while ensuring that the company's standards for safety and soundness are properly supported. The lender is direct endorsed by HUD to underwrite Federal Housing Administration (FHA) insured mortgages and employs FHA Direct Endorsed Underwriters. William Raveis' current product mix includes Fannie Mae (FNMC), Freddie Mac (FHLMC), FHA, USDA and MassHousing loans. All loan products are originated under investor guidelines and requirements, as well as adherence to state legal requirements. The variety of government products offered by William Raveis provide competitive interest rates and require smaller down payments for low- and moderate-income first time homebuyers and existing homeowners.

William Raveis offers FHA insured mortgages. The FHA loans offer low down payments and liberal qualifying ratios. Also, FHA borrowers do not have to meet maximum income qualifications, as with many other government programs. Maximum loan amounts, however, are set by region across the country. In 2008, FHA made up 10 percent of the Lender's originations and increased to 24 percent in 2009. The lender originated 116 FHA loans totaling \$32,326,951 during 2008 and 2009.

Through MassHousing, William Raveis offers FNMA and FHLMC Affordable Housing Programs. FNMA programs offered include the Homepath, Stimulus and First Time Home Buyer products. During the examination period, William Raveis originated 42 of these types of loans totaling \$11.4 million.

William Raveis also offers USDA Home Loans in Massachusetts, which are offered in rural areas as determined by the United States Department of Agriculture (USDA). The Lender originated one USDA loan totaling \$142,800 during the examination period.

IV. *Fair Lending*

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-103 and Regulatory Bulletin 5.3-101. The mortgage lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. The review included, but was not limited to, review of written policies and procedures, interviews with mortgage lender personnel, and individual file review.

William Raveis' compliance with the laws relating to discrimination and other illegal credit practices was reviewed. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. No evidence of discriminatory or other illegal credit practices was identified.

All new hires are given training on lending policies and procedures, the lender's Code of Conduct, and Fair Lending. In addition, William Raveis holds periodic training sessions to address new regulations, investor guidelines, and other quality control issues. The lender uses a combination of internally developed training and outside providers to cover a variety of regulatory and compliance topics.

Upon conclusion of the Fair Lending review, the Division's examination found no evidence of disparate treatment.

MINORITY APPLICATION FLOW

For 2008 and 2009, William Raveis received 785 HMDA reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 51 or 6.5 percent were received from minority applicants, of which 27 or 72.5 percent resulted in originations. William Raveis received 22 or 2.8 percent of HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area, of which 19 or 86.4 percent were originated.

The minority population in the Commonwealth is at 18.1 percent. William Raveis' level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2008, and the area's demographics. In 2008, the lender received a total of 6.1 percent of its applications from racial minorities, which was below

the aggregate at 8.4 percent. For 2009, William Raveis experienced an increase in applications from minority applicants in both number and percentage while the aggregate's percentage decreased. The lender also received 3.7 percent of its applications from ethnic minorities in 2008 and 2.3 percent in 2009, which were below the aggregate at 4.7 and 3.1 percent, respectively.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to the aggregate lenders throughout the Commonwealth of Massachusetts. The comparison of this data assists in deriving reasonable expectations for the rate of applications the mortgage lender received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	William Raveis 2008		2008 Aggregate Data		William Raveis 2009		2009 Aggregate Data	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	690	0.2	0	0.0	731	0.2
<i>Asian</i>	7	2.4	11,798	3.5	14	2.9	20,076	4.1
<i>Black/ African American</i>	6	2.0	11,749	3.5	6	1.2	10,070	2.0
<i>Hawaiian/Pac Isl.</i>	0	0.0	641	0.2	0	0.0	555	0.1
<i>2 or more Minority</i>	0	0.0	280	0.1	0	0.0	230	0.1
<i>Joint Race (White/Minority)</i>	5	1.7	3,196	0.9	13	2.7	5,024	1.0
Total Minority	18	6.1	28,354	8.4	33	6.8	36,686	7.5
<i>White</i>	278	93.6	234,125	69.6	446	91.4	344,042	69.7
<i>Race Not Available</i>	1	0.3	73,907	22.0	9	1.8	112,633	22.8
Total	297	100.0	336,386	100.0	488	100.0	493,361	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	9	3.0	13,244	3.9	5	1.0	11,477	2.3
<i>Not Hispanic or Latino</i>	285	96.0	246,283	73.2	470	96.3	364,391	73.9
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	2	0.7	2,642	0.8	6	1.3	3,691	0.8
<i>Ethnicity Not Available</i>	1	0.3	74,217	22.1	7	1.4	113,802	23.0
Total	297	100.0	336,386	100.0	488	100.0	493,361	100.0

Source: PCI Corporation, CRA Wiz, Data Source: 2000 U.S. Census Data

William Raveis' performance was slightly below the aggregate's performance for racial and ethnic minority applicants and has demonstrated a positive trend.

V. Loss of Affordable Housing

This review concentrated on the suitability and sustainability of mortgage loans originated by William Raveis by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the lender was reviewed as were statistics available on delinquency and default rates for mortgage loans. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as described above, did not reveal lending practices or products that showed an undue concentration or a systematic pattern of lending, including a pattern of early payment defaults, resulting in the loss of affordable housing units. Further, delinquency rates were found to be consistent with industry averages.

SERVICE TEST

The service test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

William Raveis' Service Test performance was determined to be rated "Satisfactory" at this time.

Mortgage Lending Services

William Raveis provides an effective delivery of mortgage lender services that are accessible to geographies and individuals of different income levels in the Commonwealth. Customers can apply to William Raveis for a mortgage over the telephone and via the company's website and at any of the three sales office locations. William Raveis' main office is located at 7 Trap Falls Road in Shelton, Connecticut and is situated in a middle-income geography. William Raveis has three branch offices within Massachusetts. These branch offices are located in Westford, Hingham and Norwell; all are located in upper-income geographies.

Business development relies primarily on referrals from William Raveis Real Estate and repeat customers. William Raveis offers a number of flexible lending product to assist all income categories and provide opportunities to low- and moderate-income individuals to acquire or remain in affordable housing. William Raveis does not advertise in Massachusetts.

As William Raveis does not routinely service mortgage loans, it would not work directly with delinquent borrowers. Therefore, this review would not include an evaluation of loan mitigation and modification efforts as the mortgage lender would not be accountable for such action. However, as described above, lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

Community Development Services

A community development service is a service that:

- (a) has as its primary purpose community development; and
- (b) is related to the provision of financial services, including technical services

The Commissioner evaluates community development services pursuant to the following criteria:

- (a) the extent to which the mortgage lender provides community development services; and
- (b) the innovativeness and responsiveness of community development services.

A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance. William Raveis has an adequate level of qualified community development services demonstrating a satisfactory responsiveness to the area's community development needs.

Educational Seminars

William Raveis sponsored or participated in a number of educational seminars through Mass Housing. The MHFA Home Fairs are 8-10 hour events open to the public where lenders provide mortgage information, pre-approve buyers and give out contact information to participants.

The lender participated in four MHFA Opportunity Knocks Homebuyer Fairs; two events in 2008 in Boston and Hyannis, one in 2009 in Cape Cod and another in 2010 in Braintree.

William Raveis presented several First Time Homebuyer Seminars in concert with William Raveis Real Estate's Back Bay office during 2009 and 2010.

A senior loan officer at William Raveis sponsored several home buying seminars which he advertised to recent alumni of area colleges and universities.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (MLCI) regulation, requires all mortgage lenders to take the following actions within 30 business days of receipt of the MLCI evaluation of their mortgage lender:

- 1) Make its most current MLCI performance evaluation available to the public;
- 2) Provide a copy of its current evaluation to the public, upon request. In connection with this, the mortgage lender is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the mortgage lender's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The mortgage lender is encouraged to include its response to the evaluation in its MLCI public file.

The Division of Banks will publish the mortgage lender's Public Disclosure on its website no sooner than 30 days after the issuance of the Public Disclosure.